

MARK D. WALDRON  
Chapter 11 Trustee  
6711 Regents Blvd. W., Suite B  
Tacoma, WA 98466  
Telephone: (253) 565-5800

The Honorable Frederick P. Corbit  
Chapter 11

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF WASHINGTON

In Re:

GIGA WATT INC.

Debtor.

Case No. 18-03197-FPC11

CHAPTER 11 TRUSTEE'S MONTHLY  
FINANCIAL REPORT FOR APRIL 2020

**COMES NOW** Mark D. Waldron, the Court-appointed and acting Chapter 11 Trustee in the above proceeding, and files this Monthly Financial Report for the month of April 2020. Attached to this report are the Ledger Report (Exhibit 1), Operating Statement (Exhibit 2), and bank statement for April 2020 (Exhibit 3), incorporated herein by reference. Also attached is a detailed narrative report from Court-appointed consultant Douglas Pratt regarding Giga Watt's mining operations for April 2020 (Exhibit 4), incorporated herein by reference.

1. Condominium at Northwest Cliffe Point Road, Quincy, Washington. As part of the prior settlement of the TNT facility litigation, the Estate received title to a residential condominium, located in the Cave B winery area and adjacent to the Gorge Amphitheater



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email: mark@mwaldronlaw.com

1 music venue. The condominium was actively listed in April 2020 through a REMAX  
2 brokerage, for a list price of \$384,950.00. This condominium is free and clear and has no  
3 obligations related thereto, except for monthly Condominium Owners Association dues.  
4 The Trustee procured insurance with Foremost Insurance Company.

5 2. TNT Facility. The Estate continues to operate the TNT facility in East  
6 Wenatchee. Mining revenues at TNT for April 2020 were \$78,351.50. Pursuant to the  
7 Court-approved Super-Priority Unsecured Credit Agreement, the Estate is current on the  
8 payments due the DIP lender. In addition, the rent and utility payments are current at the  
9 TNT facility.

10 On April 30, 2020, a Purchase and Sale Agreement was entered into  
11 between the Estate and EcoChain, Inc., for sale of the TNT facility and certain other  
12 property and equipment for \$200,000.00. The Estate has received an earnest money  
13 deposit in the amount of \$20,000.00. A motion seeking Court approval for the sale was  
14 filed (Docket No. 573), a telephonic hearing was held on May 13, 2020, the Court approved  
15 the sale, and entry of the Order is pending.

16 3. The Court-appointed CPA continues to prepare Debtor's required monthly  
17 tax reports, specifically the Department of Revenue reporting, and the Estate continues to  
18 pay the corresponding B&O taxes due. At month end, the Debtor was not delinquent on  
19 any post-petition tax obligations.

20 4. For purposes of calculating the Debtor's obligations under 28 USC 1930(a)(6)  
21 to pay a quarterly fee to the United States Trustee, **TOTAL DISBURSEMENTS** for the  
22 month of April 2020 were **\$122,125.92**. The Trustee continues to file Monthly Financial  
23 Reports and pay the quarterly U.S. Trustee fees pursuant to the current rate schedule.  
24 First Quarter 2020 U.S. Trustee fees in the amount of \$4,875.00 were paid on April 3,  
25 2020. All U.S. Trustee fee payments and all Monthly Financial Reports are current.

I certify under penalty of perjury that the information contained in this Monthly



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1 Financial Report is complete, true, and accurate to the best of my knowledge, information  
2 and belief.

3 **DATED** this 14<sup>th</sup> day of May, 2020.

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6 MARK D. WALDRON, WSBA# 9578  
7 Chapter 11 Trustee for the Estate of  
8 Giga Watt Inc.  
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## Ledger Report

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Case Number: 18-03197-FPC11 FPC  
Case Name: GIGA WATT INC.  
Taxpayer ID #: 81-4797010  
Period: 04/01/20 - 04/30/20

Trustee: Mr. Mark D. Waldron (670070)  
Bank Name: Metropolitan Commercial Bank  
Account: \*\*\*\*\*25 - Checking Account  
Blanket Bond: \$0.00 (per case limit)  
Separate Bond: N/A

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
04/01/20	410	Mark D. Waldron	Partial payment of Trustee fees per Order entered 11-20-19 (Docket No. 422)	6002-001		10,000.00	132,569.96
04/01/20		Randy Michelson	Loan payment per Super-Priority Unsecured Credit Agreement (TNT)	6004-000		20,000.00	112,569.96
04/02/20		Moses Lake (\$26.70) and TNT (\$14,291.52) facilities	Mining operations	4001-000	14,318.22		126,888.18
04/03/20	411	U.S. Trustee	Acct #802-18-03197, US Trustee fees for 1st Quarter 2020	6001-000		4,875.00	122,013.18
04/03/20	412	Douglas County PUD	Acct #735917, utilities for March 2020 (TNT facility)	6010-000		41,428.00	80,585.18
04/03/20	413	Insta Stor Inc.	Invoice #3791 (storage container rental through April 2020)	6004-000		135.50	80,449.68
04/03/20	414	LocalTel	Acct #61297, Statement dated 3-30-20 (TNT facility)	6010-000		114.85	80,334.83
04/03/20	415	Cascade Equipment Sales, LLC	Invoice #2182 (trailer rental for January and February 2020)	6004-000		2,000.00	78,334.83
04/03/20	416	Cascade Equipment Sales, LLC	Invoice #2183 (trailer rental for March and April 2020)	6004-000		2,000.00	76,334.83
04/03/20	417	Waste Management of Wenatchee	Customer ID #19-19019-33003, Invoice #1880216-2674-5 (TNT)	6010-000		124.28	76,210.55
04/06/20		Eco Diversified Holdings	April 2020 rent for Pod 8 of Parcel E pods, Moses Lake	4002-00	9,000.00		85,210.55
04/06/20	418	NCW Consulting LLC	Invoice dated 4-5-20 (TNT through 4-3-20)	6007-013		4,950.00	80,260.55
04/06/20	419	Aggle LLC	Invoice dated 4-5-20 (TNT through 4-3-20)	6007-013		1,792.00	78,468.55
04/06/20	420	Cuttin Rugs LLC	Invoices #55 and #56 (Moses Lake through 4-2-20)	6007-013		2,475.00	75,993.55
Subtotals :					\$23,318.22	\$89,894.63	

{ Asset reference(s)

# Ledger Report

Case Number: 18-03197-FPC11 FPC  
Case Name: GIGA WATT INC.  
Taxpayer ID #: 81-4797010  
Period: 04/01/20 - 04/30/20

Trustee: Mr. Mark D. Waldron (670070)  
Bank Name: Metropolitan Commercial Bank  
Account: \*\*\*\*\*25 - Checking Account  
Blanket Bond: \$0.00 (per case limit)  
Separate Bond: N/A

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
04/09/20		TNT facility	Mining operations	4001-000	16,746.76		92,740.31
04/09/20		MLDC I, LLC	April 2020 rent payment from EDH (Pod 8 of Parcel E, Moses Lake)	6003-000		9,000.00	83,740.31
04/10/20		Frontier Title and Escrow Co.	Refund of unused escrow deposit (Carlson condo transaction)	4099-000	370.17		84,110.48
04/14/20		Gib Compute LLC	Balance of gross proceeds for sale of Pangborn equipment	4007-000	157,500.00		241,610.48
04/16/20		TNT facility	Mining operations	4001-000	15,479.28		257,089.76
04/20/20	421	NCW Consulting LLC	Invoice dated 4-19-20 (TNT through 4-17-20)	6007-013		5,400.00	251,689.76
04/20/20	422	Aggle LLC	Invoice dated 4-19-20 (TNT through 4-16-20)	6007-013		1,792.00	249,897.76
04/23/20		TNT facility	Mining operations	4001-000	15,498.84		265,396.60
04/24/20	423	Chase	Charge for changing locks on condominium (Erich's Lock Service)	6004-000		233.22	265,163.38
04/24/20	424	Chase	Deposit to Douglas County PUD for utilities at condominium	6004-000		150.00	265,013.38
04/24/20	425	R&V Janitorial Services	Invoice #418, Cleaning condominium	6004-000		280.00	264,733.38
04/24/20	426	TNT Business Complexes, LLC	Lease payment for May 2020 (TNT facility)	6003-000		11,900.00	252,833.38
04/28/20	427	NorthWest VFA	Photographs of condominium for sale listing	6004-000		150.00	252,683.38
04/28/20		Washington State Department of Revenue	B&O taxes due for March 2020	6006-002		2,591.07	250,092.31
04/29/20	428	Cave B Ridge Condo Association	HOA dues for March, April and May 2020, Cave B Ridge, Unit 8B	6004-000		585.00	249,507.31
04/29/20	429	Accolade Property Management Group	Transfer Fee for Cave B Ridge, Unit 8B	6004-000		150.00	249,357.31
04/30/20		TNT facility	Mining operations	4001-000	16,308.40		265,665.71

Subtotals : \$221,903.45 \$32,231.29

{ Asset reference(s)

# Ledger Report

Case Number: 18-03197-FPC11 FPC  
 Case Name: GIGA WATT INC.  
 Taxpayer ID #: 81-4797010  
 Period: 04/01/20 - 04/30/20

Trustee: Mr. Mark D. Waldron (670070)  
 Bank Name: Metropolitan Commercial Bank  
 Account: \*\*\*\*\*25 - Checking Account  
 Blanket Bond: \$0.00 (per case limit)  
 Separate Bond: N/A

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
ACCOUNT TOTALS							
					4,670,463.97	122,125.92	\$265,665.71

## TOTAL - ACCOUNT \*\*\*\*\*25

Balance Forward	142,569.96						
2 Deposits	9,370.17	20	Checks	90,534.85			
0 Interest Postings	0.00	3	Adjustments Out	31,591.07			
Subtotal	\$151,940.13	0	Transfers Out	0.00			
6 Adjustments In	235,851.50		Total	\$122,125.92			
0 Transfers In	0.00						
Total	\$387,791.63						



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**GIGA WATT INC. (18-03197-FPC11)**

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**Operating Statement**

Period: 04/01/20 - 04/30/20

**Income****4001-000 Revenue from Operating Business****4001-000 Revenue from Operating Business**

04/02/20	Dep. Adj.: 132	3910019625	Moses Lake (\$26.70) and TNT (\$14,291.52) facilities	\$14,318.22
			Mining operations	
04/09/20	Dep. Adj.: 134	3910019625	TNT facility	\$16,746.76
			Mining operations	
04/16/20	Dep. Adj.: 136	3910019625	TNT facility	\$15,479.28
			Mining operations	
04/23/20	Dep. Adj.: 137	3910019625	TNT facility	\$15,498.84
			Mining operations	
04/30/20	Dep. Adj.: 139	3910019625	TNT facility	\$16,308.40
			Mining operations	
				<hr/>
				\$78,351.50

**4002-00 Rents****4002-00 Rents**

04/06/20	Deposit: 100027-1	3910019625	Eco Diversified Holdings	\$9,000.00
			April 2020 rent for Pod 8 of Parcel E pods, Moses Lake	
				<hr/>
				\$9,000.00

**4007-000 Liquidation of Personal Property****4007-000 Liquidation of Personal Property**

04/14/20	Dep. Adj.: 135	3910019625	Gib Compute LLC	\$157,500.00
			Balance of gross proceeds for sale of Pangborn equipment	
				<hr/>
				\$157,500.00

**4099-000 Other Receipts****4099-000 Other Receipts**

04/10/20	Deposit: 100028-1	3910019625	Frontier Title and Escrow Co.	\$370.17
			Refund of unused escrow deposit (Carlson condo transaction)	
				<hr/>
				\$370.17

**Total Income****\$245,221.67****Expenses****6001-000 US Trustee Fees****6001-000 US Trustee Fees**

04/03/20	Check: 411	3910019625	U.S. Trustee	\$4,875.00
			Acct #802-18-03197, US Trustee fees for 1st Quarter 2020	
				<hr/>
				\$4,875.00

**6002-000 Trustee Fees & Expenses****6002-001 Trustee Compensation**

04/01/20	Check: 410	3910019625	Mark D. Waldron	\$10,000.00
			Partial payment of Trustee fees per Order entered 11-20-19 (Docket No. 422)	
				<hr/>
				\$10,000.00

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**6003-000 Admin. Rent****6003-000 Admin. Rent**

04/09/20	Dist. Adj.: 132	3910019625	MLDC I, LLC	\$9,000.00
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**GIGA WATT INC. (18-03197-FPC11)****Operating Statement**

Period: 04/01/20 - 04/30/20

04/24/20	Check: 426	3910019625	April 2020 rent payment from EDH (Pod 8 of Parcel E, Moses Lake) TNT Business Complexes, LLC Lease payment for May 2020 (TNT facility)	\$11,900.00
				<hr/>
				\$20,900.00
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6004-000 Costs to Secure/Maintain Property				
6004-000 Costs to Secure/Maintain Property				
04/01/20	Disb. Adj.: 131	3910019625	Randy Michelson Loan payment per Super-Priority Unsecured Credit Agreement (TNT)	\$20,000.00
04/03/20	Check: 413	3910019625	Insta Stor Inc. Invoice #3791 (storage container rental through April 2020)	\$135.50
04/03/20	Check: 415	3910019625	Cascade Equipment Sales, LLC Invoice #2182 (trailer rental for January and February 2020)	\$2,000.00
04/03/20	Check: 416	3910019625	Cascade Equipment Sales, LLC Invoice #2183 (trailer rental for March and April 2020)	\$2,000.00
04/24/20	Check: 423	3910019625	Chase Charge for changing locks on condominium (Erich's Lock Service)	\$233.22
04/24/20	Check: 424	3910019625	Chase Deposit to Douglas County PUD for utilities at condominium	\$150.00
04/24/20	Check: 425	3910019625	R&V Janitorial Services Invoice #418, Cleaning condominium	\$280.00
04/28/20	Check: 427	3910019625	NorthWest VFA Photographs of condominium for sale listing	\$150.00
04/29/20	Check: 428	3910019625	Cave B Ridge Condo Association HOA dues for March, April and May 2020, Cave B Ridge, Unit 8B	\$585.00
04/29/20	Check: 429	3910019625	Accolade Property Management Group Transfer Fee for Cave B Ridge, Unit 8B	\$150.00
				<hr/>
				\$25,683.72
<hr/>				
6006-002 Taxes - State				
6006-002 Taxes - State				
04/28/20	Dep. Rev.: 138	3910019625	Washington State Department of Revenue B&O taxes due for March 2020	\$2,591.07
				<hr/>
				\$2,591.07
<hr/>				
6007-000 Professional Fees & Expenses				
6007-013 Consultant for Trustee Fees				
04/06/20	Check: 418	3910019625	NCW Consulting LLC Invoice dated 4-5-20 (TNT through 4-3-20)	\$4,950.00
04/06/20	Check: 419	3910019625	Aggle LLC Invoice dated 4-5-20 (TNT through 4-3-20)	\$1,792.00
04/06/20	Check: 420	3910019625	Cuttin Rugs LLC Invoices #55 and #56 (Moses Lake through 4-2-20)	\$2,475.00
04/20/20	Check: 421	3910019625	NCW Consulting LLC Invoice dated 4-19-20 (TNT through 4-17-20)	\$5,400.00



**GIGA WATT INC. (18-03197-FPC11)****Operating Statement**

Period: 04/01/20 - 04/30/20

04/20/20	Check: 422	3910019625	Aggle LLC Invoice dated 4-19-20 (TNT through 4-16-20)	\$1,792.00	
				<u>\$16,409.00</u>	
					<u>\$16,409.00</u>
6010-000 Other Expenses					
6010-000 Other Expenses					
04/03/20	Check: 412	3910019625	Douglas County PUD Acct #735917, utilities for March 2020 (TNT facility)	\$41,428.00	
04/03/20	Check: 414	3910019625	LocalTel Acct #61297, Statement dated 3-30-20 (TNT facility)	\$114.85	
04/03/20	Check: 417	3910019625	Waste Management of Wenatchee Customer ID #19-19019-33003, Invoice #1880216-2674-5 (TNT)	\$124.28	
				<u>\$41,667.13</u>	
<b>Total Expenses</b>					<u><b>\$122,125.92</b></u>
<b>Net Income</b>					<u><b>\$123,095.75</b></u>

Period Covered:  
April 01, 2020 - April 30, 2020  
Page 1 of 8

Mr. Mark D. Waldron  
6711 Regents Blvd West  
Tacoma WA 98466

Case Number 18-03197-FPC11  
Case Name GIGA WATT INC  
DEBTOR  
Trustee Number 670070  
Trustee Name Mr. Mark D. Waldron  
TRUSTEE

Questions:  
800.634.7734  
banking.services@stretto.com  
www.stretto.com

**Consolidated Balance Summary**

Account	Number	Ending Balance Prior Period	Ending Balance This Period
Checking Account			
TRUSTEE CHECKING	9625	\$155,579.96	\$278,730.71
<b>Total</b>		<b>\$155,579.96</b>	<b>\$278,730.71</b>

**TRUSTEE CHECKING**

Account Number: 3910019625

Enclosures	17	<b>Beginning Balance</b>	<b>\$155,579.96</b>
		+Total Additions	\$245,221.67
		-Total Subtractions	\$122,070.92
		<b>Ending Balance</b>	<b>\$278,730.71</b>

\* Indicates a Skip in Check Number(s)  
"E" Indicate an Electronic Check

**Checks**

Check #	Date	Amount
405	04-08	\$1,110.00
409*	04-07	\$11,900.00
410	04-02	\$10,000.00
411	04-14	\$4,875.00
412	04-10	\$41,428.00
413	04-14	\$135.50
414	04-13	\$114.85
415	04-20	\$2,000.00
416	04-20	\$2,000.00
417	04-13	\$124.28
418	04-13	\$4,950.00
419	04-15	\$1,792.00
420	04-14	\$2,475.00
421	04-27	\$5,400.00
422	04-27	\$1,792.00
423	04-27	\$233.22
424	04-27	\$150.00



Period Covered:  
April 01, 2020 - April 30, 2020  
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#### Debits

Date	Description	Subtractions
04-01	WIRE TO RANDY MICHELSON	
04-09	WIRE TO MLDC 1 LLC	\$20,000.00
04-28	WA DEPT REVENUE TAX PYMT 200427 CCD	\$9,000.00
		\$2,591.07

#### Credits

Date	Description	Additions
04-02	WIRE FROM COINME INC	
04-07	REMOTE DEPOSIT REF#0100027	\$14,318.22
04-09	WIRE FROM COINME INC	\$9,000.00
04-14	WIRE FROM GRID INFRASTRUCTURE LL	\$16,746.76
04-16	REMOTE DEPOSIT REF#0100028	\$157,500.00
04-16	WIRE FROM COINME INC	\$370.17
04-23	WIRE FROM COINME INC	\$15,479.28
04-30	WIRE FROM COINME INC	\$15,498.84
		\$16,308.40

#### Daily Balances

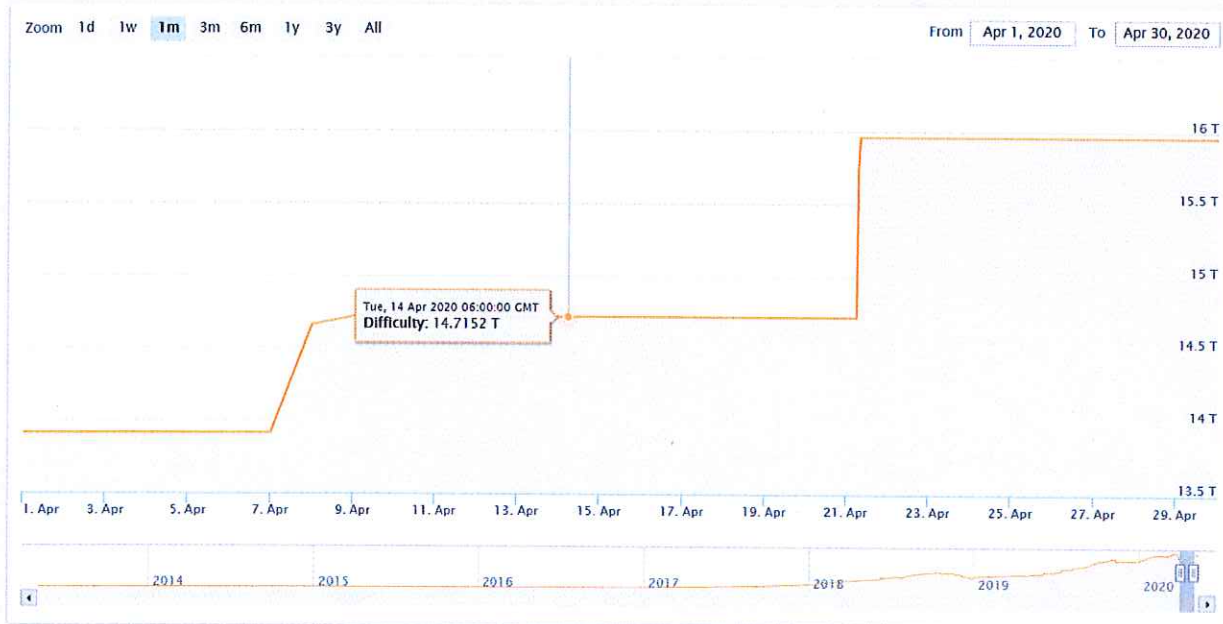
Date	Amount	Date	Amount	Date	Amount
04-01	\$135,579.96	04-02	\$139,898.18	04-07	\$136,998.18
04-08	\$135,888.18	04-09	\$143,634.94	04-10	\$102,206.94
04-13	\$97,017.81	04-14	\$247,032.31	04-15	\$245,240.31
04-16	\$261,089.76	04-20	\$257,089.76	04-23	\$272,538.60
04-27	\$265,013.38	04-28	\$262,422.31	04-30	\$278,730.71



**Executive Summary:** For the calendar month of April 2020, the TNT data center in East Wenatchee generated \$69,754, a 4% increase in revenue from March's revenue of \$66,975. This relative stability in revenue was primarily due to a significant increase in Ethereum's average daily sales prices with increased revenues from BTC mining, offsetting a small decrease in Litecoin revenue. No revenue from Moses Lake was generated as it was shutdown in the month of March.

**S9 Machine Mining (primarily Bitcoin):** Revenues for S9s increased primarily due to the increase in Bitcoin prices in April. In April, the average daily BTC sell price was \$7,210, a 5% increase in price from \$6,861/BTC in March. The mining difficulty experienced two increases in difficulty which mitigated a larger increase in revenue.

**Bitcoin Difficulty: 16.10 T (16,104,807,485,529.00)**



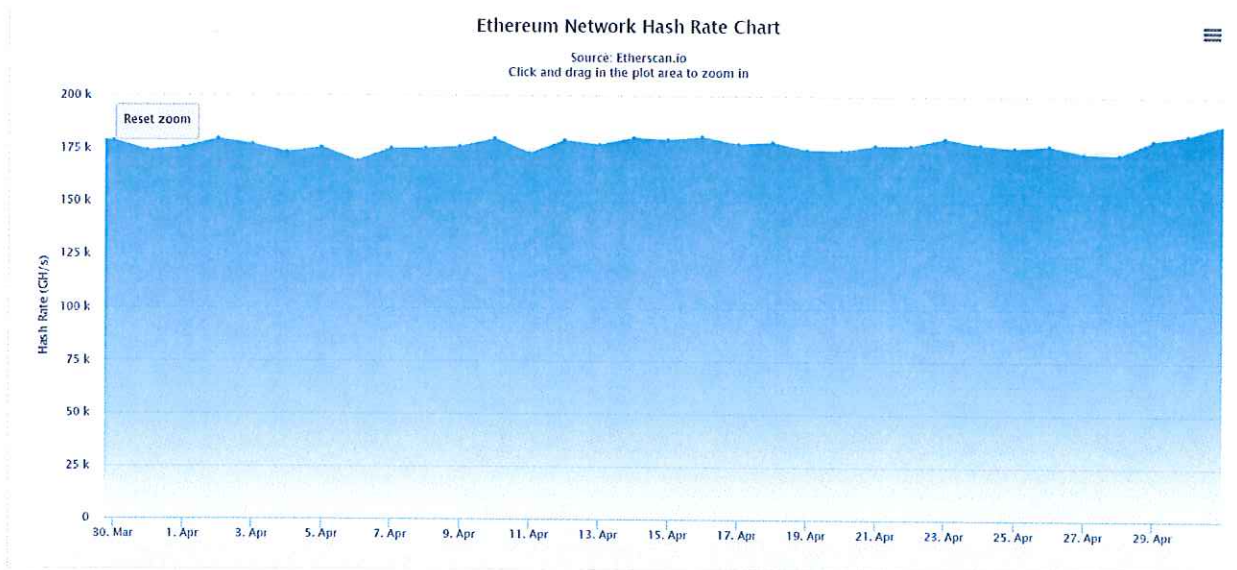
**L3+ Machine Mining (primarily Litecoin):** Revenues from these machines decreased from March due primarily to an average daily price decrease in Litecoin. In April, the average daily sales price of a Litecoin was \$42.71/LTC, down 2% from March's average daily sales price of \$43.69/LTC. Difficulty continued to climb as newer hardware was introduced into the market resulting in a month over month small reduction in revenue.

### Litecoin Difficulty: 6.45 M (6,449,898.52)



### GPU Mining (Ethereum & Ethereum Classic):

Revenue for GPU mining increased in April due to price recovery. In April, the average sales price per Ethereum (ETH) was \$171.23, an increase of 7% from the February average sales price of \$159.68. Difficulty increased very slightly so had no real impact on earnings.



With the Bitcoin reward halving coming in mid-May, April will be the last full month that S9s can mine at TNT before they will be switched off later in May.

L3+ mining (Litecoin) continues to be more resilient than expected. However, with the drop in prices per coin, even these machines are no longer generating significant revenue.

Finally, our GPU mining machines (mining Ethereum & Ethereum Classic), which is currently the most profitable technology to mine on a per kilowatt hour, will remain our best technology equipment. The longer-term threat is the planned obsolescence of these GPU machines for Ethereum mining by December 26, 2020 due to the 4GB design of the graphics cards.